

82D CONGRESS } HOUSE OF REPRESENTATIVES } REPORT
1st Session } No. 781

EXEMPTION FROM A PROVISION OF SECTION 10 OF THE FEDERAL RESERVE ACT

AUGUST 1, 1951.—Committed to the Committee of the Whole House and ordered
to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted
the following

R E P O R T

[To accompany S. J. Res. 78]

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 78) to make the restrictions of the Federal Reserve Act on holding office in a member bank inapplicable to M. S. Szymczak when he ceases to be a member of the Board of Governors of the Federal Reserve System, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

The purpose of this joint resolution is to make inapplicable to Mr. M. S. Szymczak, a member of the Board of Governors of the Federal Reserve System, the provision of section 10 of the Federal Reserve Act which prohibits any member of the Board of Governors of the Federal Reserve System from holding any office, position, or employment in any member bank of the System within 2 years after leaving the Board.

Mr. Szymczak has been a member of the Board since his original appointment on June 14, 1933. The Banking Act of 1935 amended the Federal Reserve Act to reconstitute the Board and provide that the statutory full term of a member would be 14 years, but required that the term appointments be staggered so that a term would expire every 2 years. Pursuant to the Banking Act of 1935 Mr. Szymczak was appointed to a 12-year term beginning February 1, 1936 and expiring January 31, 1948. Subsequently he was appointed to a full term of 14 years beginning February 1, 1948 and expiring January 31, 1962.

The prohibition against holding an office, position, or employment in any member bank for a period of 2 years after leaving the Board

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does not apply to a Board member who has served a full term. The fact that Mr. Szymczak served a 12-year term to which he was appointed does not exempt him from the provision.

Actually, Mr. Szymczak has served on the Board continuously for a period of over 18 years. He has served with honor and distinction during the whole tenure of his office on the Board.

In view of Mr. Szymczak's honorable and long service and the unique circumstances of his case, your committee is of the opinion that this joint resolution should be enacted.

